



AMERICA'S AFFORDABLE HEALTH CHOICES ACT

QUALITY AFFORDABLE HEALTH CARE

HEALTH REFORM AT A GLANCE: RURAL AMERICA

The House health reform bill maintains Congress' commitment to rural America by ensuring that all individuals in rural areas have access to the care they need close to home. The bill:

Provides Coverage for Uninsured Rural Individuals: In rural areas, the uninsured rate reaches 23 percent, almost five percent higher than in urban areas, and the current recession means that more people may lose access to their employer-based health coverage. The bill guarantees that individuals without access to affordable health insurance would have options for obtaining affordable, quality health care coverage.

Addresses Rural Payment Disparities: The bill directs the Institute of Medicine to study geographic inequities in Medicare reimbursement rates and the Secretary to revise payment rates based on the IOM's findings.

Protects Rural Consumers from Discriminatory Practices that Make Coverage Unaffordable: Insurance market reforms that prohibit insurance companies from denying coverage based on pre-existing conditions, protect consumers from high annual out-of-pocket spending, and prohibit charging higher premiums based on gender, will all help make health insurance more accessible and affordable for rural residents.

Provides Bonuses to Reward Primary Care Doctors that Practice in Shortage Areas: Only 9 percent of physicians practice in rural America even though 20 percent of the population lives in these areas. The bill provides a 10 percent incentive payment for primary care doctors practicing in underserved areas, which combined with a current bonus for physicians in shortage areas, will help recruit and retain primary care physicians where they are needed most.

Ensures that Rural Doctors Are Paid the Same Rate for Their Work as Urban Doctors: Prior to 2003, the Medicare reimbursement formula paid doctors practicing in rural areas relatively less for their work, even though they have the same training as their urban counterparts. The bill helps rural physicians by extending an existing provision that addresses this payment inequity.

Rewards Rural Physicians for Coordinating Care for Patients. Coordination of care by a health care professional can help ensure that patients get the right care at the right time. The bill creates a pilot program for "medical homes" in order to reward physicians for spending time coordinating care for their patients and takes steps to ensure that small and community based practices, such as those predominately in rural America, can successfully participate.

Supports Community Health Centers in Rural Areas: Community health centers are an important source of care in rural areas. The bill provides billions in new funds to support community health centers, and maintains the current requirement that these rural areas receive special consideration for distribution of funds.

Trains Primary Care Providers for Rural Areas: There is a shortage of health providers in rural America, particularly primary care. The bill emphasizes training for primary care physicians by encouraging training

outside the hospital where most primary care is practiced, investing in advanced nurse training, and significantly expanding the National Health Service Corps to address work shortages in high-need areas. A new student loan repayment program directs primary care physicians to areas of need, and also supports other specialties and professions to practice in high need areas.

Rewards Physicians who Provide Efficient Care. The bill provides incentive payments to physicians practicing in areas that are identified as being the most cost-efficient areas of the country, many of which are in rural America.

Protects Payments for Rural Outpatient Hospitals: When Medicare moved to a new payment system for outpatient hospitals in 2000, rural hospitals were protected from potential losses. The bill extends this current “hold harmless” policy for rural outpatient hospitals to ensure that rural residents will continue to have access to care.

Helps Certain Rural Hospitals Cover Their Lab Costs: Rural hospitals have lower patient volume than their urban counterparts, making it more difficult to sustain much needed services such as laboratory tests. The bill helps to maintain access to routine lab tests for patients living in rural areas by paying small rural hospitals their reasonable costs for performing clinical laboratory tests.

Protects Ambulance Services in Rural America: The bill protects seniors’ access to ambulance services in rural areas by continuing an existing increase to Medicare reimbursement rates for rural ambulance services. These adjustments help compensate for the additional costs incurred for providing these services over great distances.

Ensures Access to Preventive Services in Rural Areas: The bill eliminates cost-sharing for preventive care (including well baby and well child care) to underscore the importance of preventive health services in making America healthier and lowering the growth of health care costs over time. And the legislation caps annual out-of-pocket spending for individuals and families so that no one faces bankruptcy from health costs ever again.

Expands Access to Mental Health Services in Rural Areas: There is a widespread shortage of mental health providers, particularly in rural areas, with nearly 75 percent of American counties lacking a psychiatrist. The bill addresses this disparity for seniors living in rural America by making marriage and family therapists and mental health counselors eligible for payments under Medicare.

Provides Certain Hospitals the Resources They Need to Compete in an Increasingly Competitive Labor Market: The Medicare Modernization Act enabled certain hospitals, commonly referred to as “Section 508 Hospitals,” to be more appropriately reimbursed by Medicare for the services they provide to rural communities. The bill continues these critical payment improvements, enhancing the ability of these rural hospitals to recruit and retain essential staff to care for Medicare beneficiaries in their communities.

Addresses Rural Health Disparities: The bill spends \$15 billion over five years on grants to deliver community preventive services to fight things like diabetes, obesity, tobacco use, and substance abuse. Half of these dollars must be spent on programs whose primary purpose is to reduce health disparities, including disparities between urban and rural chronic disease outcomes.

Expanded access to lower-price drugs for rural hospitals. Under the HRSA 340b drug program, rural hospitals and clinics have access to outpatient drugs at low prices -- as low as those paid by the Medicaid program. The legislation extends the eligibility of certain rural and other hospitals under the 340b program to inpatient drugs.